

PRI RESPONSE

SWISS FEDERAL COUNCIL CONSULTATION ON AMENDING THE ORDINANCE ON CLIMATE DISCLOSURES

March 2025

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United Nations
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ABOUT THE PRI

The Principles for Responsible Investment (PRI) works with its international network of signatories to put the six Principles for Responsible Investment into practice. Its goals are to understand the investment implications of environmental, social and governance (ESG) issues and to support signatories in integrating these issues into investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole.

The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a range of possible actions for incorporating ESG issues into investment practice. The Principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system.

The PRI develops policy analysis and recommendations based on signatory views and evidence-based policy research. The PRI welcomes the opportunity to respond to the Swiss Federal Council's call for feedback on the consultation on amendments to the Ordinance on Climate Disclosures.

ABOUT THIS CONSULTATION

The Swiss Federal Council has launched a [consultation](#) on amendments to the Ordinance on Climate Disclosures (the Ordinance). The amendments aim to better align the Swiss sustainability reporting requirements with international and European standards, as well as setting minimum requirements for net-zero roadmaps which will be compliant with the requirements set out in the [Federal Act on Climate Protection Goals, Innovation, and Strengthening Energy Security](#), the overarching legislation for Switzerland's net zero goals.

The amendments affect entities which are required to produce non-financial reports under the Swiss Code of Obligations. The consultation will close on 21 March and the revisions are expected to enter into force on 1 January 2026.

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PRI RESPONSE

The PRI welcomes the integrated approach that Switzerland has taken to support and require companies and financial institutions to act on climate mitigation and climate goals, including:

- The provision under article 5 of the the [Federal Act on Climate Protection Goals, Innovation, and Strengthening Energy Security](#) (also known as the Climate and Innovation Act (CIA)) that stipulates that all companies should reach net-zero emissions by 2050 and invites companies to adopt a net-zero roadmap. We also welcome the more detailed guidance provided on these climate roadmaps under the [Climate Protection Ordinance](#) (CIO).
- Mandating companies that are subject to Swiss [Code of Obligations](#) to reflect climate in their non-financial reporting, and the proposal by the Federal Council to align the detailed requirements in the related Ordinance on Climate Reporting with the provisions in the CIA and CPO, as well as international and European standards for climate reporting.

In the sections below we provide recommendations on proposed changes to the Ordinance on Climate Reporting.

REPORTING BASED ON INTERNATIONAL STANDARDS:

We support updating Switzerland's Ordinance on Climate Disclosures to require reporting based on internationally recognised climate reporting standards (ESRS E1 or IFRS S2) rather than the TCFD recommendations, which have now been consolidated into the IFRS Foundation. This will help to harmonise climate reporting of all in-scope Swiss companies with reporting practices of the companies subject to the CSRD or ISSB-aligned sustainability reporting requirements, improving comparability for investors and interoperability for preparers.

The PRI is supportive of the introduction of sustainability disclosure requirements aligned with the ISSB standards by governments¹, and has [publicly supported the ESRS](#). Both IFRS S2 and ESRS E1 build on the TCFD recommendations, and if, adopted effectively, can provide investors with the comparable, high-quality² sustainability reporting they need from portfolio companies for decision-making. This can enable investors to allocate capital more efficiently, accounting for climate-related financial risks and opportunities and guiding investment decisions towards the net-zero transition.

It is important to note that while ESRS E1 build on and are well-aligned with IFRS S2, there are differences between the two standards. We recommend the Federal Council specifies that entities looking to assert compliance with both standards consider ISSB and EFRAG's [ESRS-ISSB Interoperability Guidance](#).

¹ See our [consultation responses](#) and [call to action](#) for jurisdictions to commit to adopting both ISSB standards at pace.

² The ISSB standards are underpinned by the structure and concepts of accounting standards from the International Accounting Standards Board (IASB) and build on the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommendations, among other well established voluntary sustainability reporting frameworks. They have also been endorsed by the International Organization of Securities Commissions (IOSCO), which has recommended that its member jurisdictions consider ways in which they might adopt, apply or otherwise be informed by the standards.

NET ZERO ROADMAP REQUIREMENTS

The PRI welcomes that through the amendments to the Ordinance on Climate Reporting, the Swiss government has set expectations for all the companies that are subject to the Code of Obligations to adopt a net-zero roadmap, on a comply or explain basis. This is a foundational tool to enable the strategic reorientation of companies' business models for net zero, which will in turn support the orderly climate transition of the Swiss economy. However, the proposed components of the net zero roadmaps do not fully align with the emerging international consensus on transition plans,³ as included in Transition Plan Taskforce (TPT) guidance documents which were recently handed over to the ISSB for integration into their disclosure framework. PRI encourages greater alignment with the emerging international consensus on the key components of net-zero roadmaps (commonly referred to as transition plans) by referring to the five elements of transition plans:

1. Strategic ambition & disclosures – objectives and priorities for responding and contributing to the transition towards low-GHG emissions and a climate-resilient economy.
2. Metrics & targets - transparent and robust targets for the transition, including GHG emissions reduction targets and portfolio targets.
3. Implementation Strategy - actions being taken to achieve strategic ambition, with reference to the key decarbonisation levers identified.
4. Engagement Strategy – how the entity will engage with peers within the sector, companies within its portfolio and/or value chain, and relevant government, public sector, communities and civil society to achieve strategic ambition.
5. Governance - how it will embed its transition plan within its governance and organisational structures

The Ordinance focuses primarily on metrics and targets, which is indeed a key component of such roadmaps, but reference to the other components would be more comprehensive and aligned with international frameworks. Additionally, reference to these components would provide more flexibility for in-scope companies to elaborate on their chosen decarbonisation strategies.

Regarding the expectations on targets, PRI welcomes the distinction between asset classes. PRI encourages consideration of further distinguishing primary and secondary market financing, to allow companies to further elaborate different strategies for reducing emissions across markets.

The PRI welcomes that requirements for real economy companies are aligned with the provisions of the CIO and COP and supports the proposal to develop separate requirements for financial institutions, recognising that the decarbonisation levers for financial institutions differ from those of other companies.

We encourage the Swiss government to swiftly operationalise its commitment under article 5 of the CIO to develop further guidance for companies and financial institutions on how they can meet the outlined requirements.

³ Research shows an emerging convergence among principal frameworks, standards, and initiatives about the key elements of transition plans: climate-related governance, scenario analysis and setting climate targets, identification of impacts, risks and opportunities, decarbonisation strategies, actions and levers to implement the plan, financial planning, including capex (capital expenditure) plans, accounting and verification, policy engagement, value chain engagement.

The PRI has experience of contributing to public policy on sustainable finance and responsible investment across multiple markets and stands ready to support the work of the Federal Council further to improve climate disclosure requirements in Switzerland.

Please send any questions or comments to policy@unpri.org.

More information on www.unpri.org